APRIL 17, 1967

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THE N.Y. WORLD TRADE CENTER

HIGHER FARM INCOME GOAL OF BRITAIN'S ANNUAL REVIEW

AGRICULTURE IN THE MALAGASY REPUBLIC

MAY 10 1967

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Including FOREIGN CROPS AND MARKETS

APRIL 17, 1967

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The "Prime English Meat" this British butcher sells is an important end product of one of Britain's growing agricultural industries. What's in store to keep U.K. agriculture growing in 1967 is outlined in the article on page 5.

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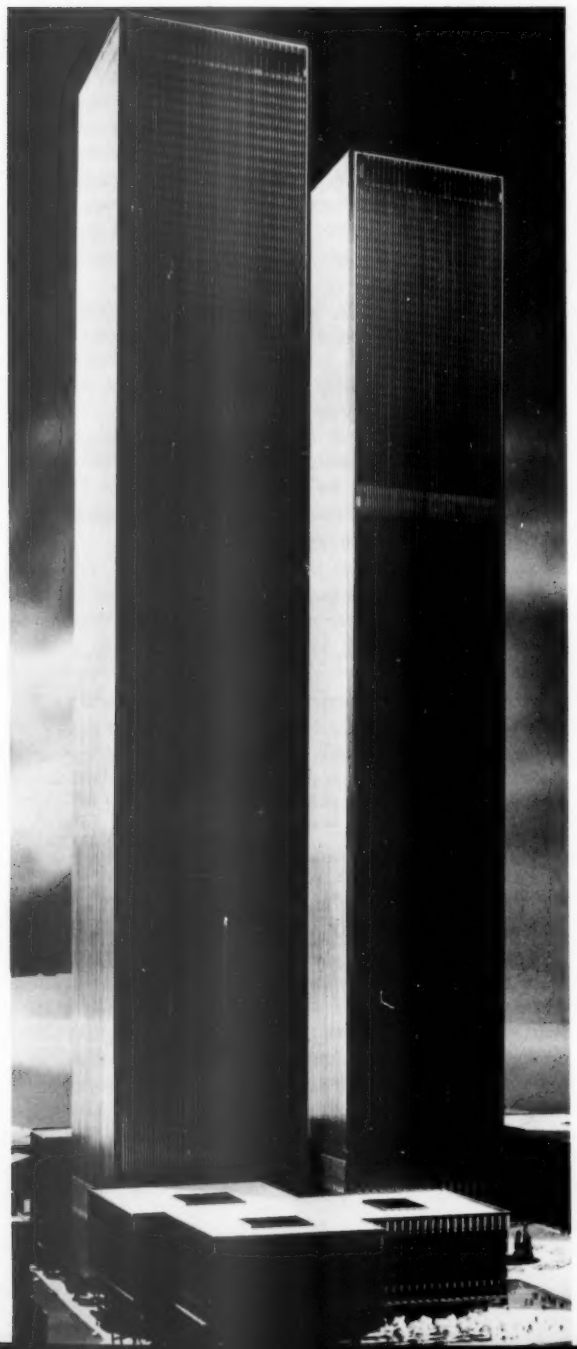
N.Y. WORLD TRADE CENTER: A Stimulus for Overseas Trade

In 5 years the New York skyline will have a new profile, world business a headquarters, and international trade a new symbol



The past growth and projected expansion of world trade have long underscored a need for an international headquarters where businessmen could buy and sell their products in world markets as easily as Americans trade within the United States. By 1972 such a world trade headquarters will be a reality in the new World Trade Center, now under construction on the west side of Manhattan.

The proportions of the Center are impressive, and its anticipated contribution to the swift, expedient transaction of international trade in New York City is unparalleled. Centralized foreign trade services and concentrated overseas contacts are expected to give new impetus to the movement of American agricultural and industrial products to the rest of the world. And special features of the World Trade Center—extensive display areas, a World Trade Information Service, and World Trade Institute—will offer all members of the international trade community new opportunities for selling their products in this country and elsewhere.

Port Authority is parent

The Center is being built at the cost of $575 million, financed and constructed on a self-supporting basis by the Port of New York Authority, a corporate agency of the States of New York and New Jersey. The Port Authority operates without financial support from taxpayers to plan and develop terminal and transportation facilities, and during the past 46 years has invested about $1.8 billion in 23 land, sea, and air terminals.

World Trade Center Director Richard C. Sullivan describes the Center's role in Port Authority activities this way: "From concept to construction the World Trade Center is part of the Port Authority's aggressive development program to build up trade and commerce at the Port of New York."

This aggressive program for New York—already the world's largest general cargo port—had built up trade to 54.5 million tons by 1966, an alltime record for the New York-New Jersey Harbor. This represents about 14 percent of the United States total foreign trade that year. (The quantities and value of the major agricultural products which moved through the Port in 1966 are listed in the tables on the following page.) The World Trade Center holds promise for even greater volumes of trade, which will mean more dollars for American exporters throughout the nation.

Two States cooperate

Original impetus for the establishment of a World Trade Center in New York came from the Downtown-Lower Manhattan Association in January 1960. At that time, the Association requested Governor Nelson A. Rockefeller, former Mayor Robert F. Wagner, and the then Governor

Looking northwest at a model of the Center, 110-story twin towers in the 5-acre plaza; the Southeast Plaza Building and main entrance to Center are in foreground.

of New Jersey Robert B. Meyner to authorize a Port Authority study of the planning, financing, construction, and activation of such a bi-State facility of commerce. By September 1962 both States had passed the enabling legislation and last August construction began.

Quarter of a mile up

The most significant feature of the World Trade Center will be its twin 110-story towers—the tallest buildings in the world—which will rise 1,350 feet from a 5-acre plaza. Surrounding the plaza will be four low-lying buildings—the United States Customs Building, the Northeast and Southeast Plaza Buildings (both 7-story structures), and the 10-story World Trade Information Center and Hotel.

The plaza buildings will have spacious exhibit areas for industrial and consumer goods and for showing imported products. These permanent product display facilities will offer unmatched opportunities for exposing both American and foreign items to prospective buyers who work at and visit the Center.

The concourse level immediately below the Plaza will be the principal pedestrian circulation level of the entire complex. Access from this level will be available for New York subways as well as for rapid trains of the Port Authority Trans-Hudson System (PATH) which can transport people to shipping lines and marine businesses on both sides of the Hudson River. Pedestrians will also have access from the concourse to all of the buildings on the 16-acre site.

Who will move in

Government and private firms which are involved in international marketing will rent space in the towers and in two of the smaller structures. Office space will go to trade associations, exporters, importers, freight forwarders, international banks, steamship lines, marine insurance firms, and other world trade organizations and international agencies.

Some 80,000 business and other visitors are expected to come to the Center every day as well as the 50,000 others who will work there. For their convenience provisions are being made for meeting and conference rooms, library facilities, international shops and restaurants, and multilingual secretarial assistance.

U.S. Customs facilities in the Port of New York will be there, and all under one roof—a great convenience to exporters and importers who now use Customs offices and inspection stations scattered in four separate locations throughout New York City.

Also a place to learn

The World Trade Information Center, which shares quarters with the on-site hotel, is being incorporated into the Center to keep businessmen abreast of world markets, regulations, and business opportunities. It is designed to introduce exporters to profitable outlets and to help importers find sources. Also available will be information about prospective agents, licensees, distributors, and other people associated with trade.

A World Trade Institute will be part of the Center as an "idea exchange," with representatives from all nations participating as students and teachers. Here seasoned traders, whose business it is to understand and deal with the fluctuations of world markets, will have an opportunity to deepen their understanding of important trade issues. At the same time, newcomers to international trade can receive training and advice in selling their products to markets abroad.

Each year more and more American businessmen are recognizing the tremendous and growing opportunities of overseas markets and are taking steps to move their industrial and agricultural products overseas. At the same time, many foreign producers have found it profitable to sell to importers here in the United States. Through the new World Trade Center, members of the international trade community will be able to transact this business through the Port of New York more conveniently and efficiently than ever before.

AGRICULTURAL TRADE THROUGH THE PORT OF NEW YORK, 1966

EXPORTS OF PRINCIPAL COMMODITIES

Item	Quantity	Value
	Long tons	*1,000 U.S. dol.*
Grain and products	536,920	39,269
Fruits, vegetables, nuts	169,597	42,995
Meat and preparations	68,142	47,161
Dairy products	27,321	13,722
Fish and products	3,364	3,763

IMPORTS OF PRINCIPAL COMMODITIES

Item	Quantity	Value
	Long tons	*1,000 U.S. dol.*
Fruits, vegetables, nuts	1,037,047	202,979
Sugar	1,048,233	137,292
Coffee	579,242	467,114
Meat and preparations	224,360	226,515
Fish and products	111,185	137,249

PRINCIPAL DESTINATIONS AND ITEMS EXPORTED

Country and commodity		Quantity
		Long tons
United Kingdom	Corn	56,747
	Fresh fruits, nuts	18,649
Netherlands	Fresh fruits, nuts	14,079
	Meat	8,094
West Germany	Meat	16,924
	Corn	3,258
France	Fresh fruits, nuts	14,441
	Meat	2,036
India	Wheat	99,434

PRINCIPAL SOURCES AND ITEMS IMPORTED

Country and commodity		Quantity
		Long tons
Philippines	Sugar	457,216
Ecuador	Bananas	186,935
Brazil	Sugar	102,026
	Coffee	166,600
Colombia	Coffee	82,455
United Kingdom	Alcoholic beverages	112,402
Australia	Meat	79,995

Bureau of the Census.

Higher Farm Income Is Goal of U.K. Agricultural Review

By ROBERT N. ANDERSON
U.S. Agricultural Attaché
London

Price guarantees to British farmers—and presumably farm income and production—will increase this year, according to the just-released *Annual Review and Determination of Guarantees*. Reactions in Britain have generally been favorable toward the Review's emphasis on increasing farm income and restoring farmers' confidence with a view to raising agricultural investment.

This year's Annual Review is the second to have been made within the framework of the National Plan targets for agriculture. These targets provide for an increase in U.K. meat production and a rise in cereals output aimed at feeding the larger numbers of livestock needed.

Mr. Frederick Peart, Minister of Agriculture, said that while the position in the arable sector was satisfactory, on the livestock side it was less so. The awards in this year's Annual Review are therefore intended to stimulate investment in livestock production and in the cereals sector to bring about certain adjustments in the balance of grain production.

The Review makes much of an $84-million increase in productivity which the agricultural sector has been allowed to retain for its own use. To it has been added a further $28 million, an assistance beyond allowances for increased costs. The $84 million is an annual average, however, and in 1966-67 was probably much lower. Similarly, the potential $112-million increase in farm income in 1967-68 that Minister of Agriculture Peart cites reflects the poor returns to farmers in 1966-67.

A system of price incentives

Guaranteed prices for British farmers are carried out through a system of deficiency payments made directly to producers. The advantage is that the United Kingdom is able to maintain its own agriculture while taking full advantage of supplies of cheap imported foodstuffs. By its very nature, the system tends to insulate the farmer from market pressures.

On the various commodity measures in general, it could be argued that expansion in production is likely to be less rapid under the current British system than from higher guaranteed market prices. At the Annual General Meeting of the U.K. National Farmers' Union held earlier this year, several delegates said that farmers should get their full support through higher market prices.

Preparation for EEC membership

The question of the United Kingdom's entering the Common Market is not a new one. In this year's Review no positive move was made toward adjusting the British price support system to that of the European Economic Community.

It might perhaps be argued that increases in the guarantee prices could be a step in this direction, but the traditional deficiency payments system is not in accord with the present Common Agricultural Policy, and its whole structure of grants and subsidies would have to be dismantled upon full U.K. membership.

Minister of Agriculture Peart answered queries on eventual U.K. membership in the EEC and agriculture's preparations for it by pointing out that incentives in the 1967 Review were designed to strengthen U.K. agriculture—a necessity whether the United Kingdom joined the European Economic Community or not. At the present time the U.K. Government is exploring the possibility and prospects of joining the European Economic Community without entering into firm membership negotiations at this stage.

In the production of cereals the deficiency payment system appears to work quite well, although not in the short term. The Review comes too late to have any significant impact upon the harvest immediately following, and it is unlikely to have any positive effect on increasing wheat production to hold back barley in 1967. In 1968, however, the government's plan could see some positive results along these lines.

A new element in the grain and feed support framework this year is a grant to be introduced in 1968 of $14 per acre of field beans which will be grown for animal feeding and as a break crop.

Effect on livestock

An increase in livestock output—according to the Review's price-guarantee plan—is much more in doubt, particularly in the case of milk and calves. For some time farmers have feared that increases in milk production will result in a diminished unit return as reflected in the pool price.

The 1966 review gave farmers long-term assurance that measures would be taken to maintain the pool price when milk output went up because of increased numbers of calves for beef. But the government did not clearly point out what these measures would be. Farmers' fears on the milk question might have been allayed this year if the British Government had established some form of price support for manufacturing milk. The expense of such a measure was probably the chief reason the government did not implement it.

Efforts to increase pig production may be more successful, but here again much will depend on to what degree farmers' confidence can be restored. Another factor likely to hold back expansion is the farmer's difficulty in competing in the labor market.

The government does not consider that egg production should be given any further encouragement at present. The Ministry of Agriculture expects that egg production in 1966-67 will have shown some increase above the previous year and that there will be a further rise in egg production 1967-68.

The reaction of the National Farmer's Union to the review was favorable, especially as it met the Union's requests for stronger government support to a buildup of farm income. Opposition Members of Parliament felt that the Review generally followed their own suggestions for U.K. agriculture but expressed some disappointment that the 1967 Review did not take British agriculture any further toward the price system practiced in the European Community.

World Hops Output Boosted by Gains in Eastern Europe

World production of hops in 1966 hit the highest level since World War I, as Communist Europe again expanded output and world demand for beer continued to move upward.

At 205.7 million pounds, hops production last year was slightly above that in the previous 2 years and some 31 percent higher than the 1955-59 average. In the United States, the world's largest producer, the crop was good but below the high 1965 level, and in the other top producers—West Germany and the United Kingdom—it was the lowest in 3 years. But in Eastern Europe, output was up some 9 percent from 1965, extending to another year its steady postwar recovery.

Eastern Europe moving up

Looking back further, the most notable trends emerging over the last decade have been the slow increases in traditional American and West European producing areas contrasted with the rapid advances in Eastern Europe and in some newcomers to the industry.

The top three producers—the United States, West Germany, and the United Kingdom—expanded their output some 14 percent between 1955-59 and 1966, or at a slower rate than the average world gain; in the United States alone output was up 27 percent from the 1955-59 average.

Acreage in these top producers gained by 15 percent between 1955-59 and 1966.

The industries of Eastern Europe and the USSR, on the other hand, are still recovering from the devastations of World War II. Planted area has resurged rapidly in recent years, to the point that Communist Europe now holds nearly half the world's hops acreage. But lack of maturity in many plantings, plus an unreliable climate and generally poor production practices, has kept yields low.

Three nations of Communist Europe rank among the top producers. Czechoslovakia and the USSR are the world's fourth and fifth largest growers of hops. And in No. 6 position is Yugoslavia—one of the fastest rising exporters.

While world output as a whole in 1966 climbed 31 percent from the 1955-59 average, production in the USSR and Czechoslovakia rose 53 and 41 percent, respectively; and Yugoslavia recorded a gain of 75 percent. Among minor Communist producers, Poland and East Germany each had 1966 crops that were more than double the 1955-59 average, while Hungary recorded a fantastic 363-percent jump in output.

Minor Free World producers, on the other hand, have shown highly divergent trends. Spain expanded production 309 percent between 1955-59 and 1966, and the Japanese crop rose 235 percent. But Australia, New Zealand, and Canada have not expanded output much, and Canada can be expected to import more in coming years.

With expansion in production and in world demand, hops shipments by the four leading exporters rose to a postwar record of 59.5 million pounds in 1964-65. Shipments during the 1965-66 season continued at a high level, totaling 56.0 million pounds, or 34 percent more than average exports in 1955-59.

The United States, in the No. 1 spot for the past 10 years, shipped out 23.8 million pounds of hops during 1965-66—its highest export since the 30.3 million of 1919-20 and its fifth consecutive gain. Through January of the current season, U.S. exports totaled 13.2 million pounds, unchanged from shipments during the same period of 1965-66. Based on this and the September stocks report, which shows a 12-percent rise in U.S. brewers' stocks, it seems possible that U.S. hops exports could rise again this season, but if they do not, they will probably still be higher than in other recent years.

West Germany has been the second largest exporter in 8 out of the past 10 seasons, shipping out an average of 12.3 million pounds. Czechoslovakia usually ranks as the third largest exporter; however, it appears to be losing out rapidly to Yugoslavia, currently in fourth place with a 10-year average export of 8.8 million pounds.

Among the smaller exporters, the United Kingdom has been well behind the top four, as its exports continue a long-term downward trend. Increases in British prices, which are tied to the cost of production, have greatly dampened world demand and caused British shipments to fall from about 4 million pounds in 1955-59 to only 2 million in 1960-64. The United States has benefited from the drop, increasing shipments to such traditional British markets as Ireland and Australia.

Because of the many different types of hops required in beer production plus the tremendous beer consumption in the United States and West Germany, the major producers and exporters of hops are also the leading importers.

West Germany has been the top importer during the past 5 seasons, with the United States ranking second. Five years earlier, by contrast, the United States was largest purchaser, Ireland was in second place, and West Germany was far back in sixth place.

West Germany's rapid rise as an import market can be attributed mainly to the widening gap between U.S. and West German prices and the resultant growth in German demand for U.S. hops. U.S. export prices, ranging between 55 and 80 cents per pound in the past 10 years, are now about 65 cents, while German prices have risen from around 60 cents to the current level of $1.20-$1.30.

Looking to the future, production and trade in hops will be largely influenced by several continuing trends in beer production.

World beer production is growing by about 4 percent a year, or somewhat faster than population growth. Good gains have occurred in both the United States and West Germany, as well as in countries that traditionally consume beverages other than beer.

Fewer hops per barrel of beer

But at the same time, consumption of hops per barrel of beer (the hopping rate) is on the decline. In 1965-66, an estimated 203 million pounds of hops were used in some 446 million barrels of beer for a world hopping rate of 0.46. The rate 5 years earlier was around 0.50, so it has been falling about a pound a year per 100 barrels.

With this trend continuing, world hops requirements by 1970 should be in the neighborhood of 216 million pounds, or less than the output will be if present planting trends also continue.

—ROBERT C. TORRENS
Fruit and Vegetable Division, FAS

German Pesticide Law May Pose Problems for U.S. Farm Trade

The German Parliament in late 1966 approved West Germany's first regulation on active (pesticide) substances used in plant growth and storage. Certain tolerances established under this law could create problems for U.S. agricultural exports to that country in the next year or two.

This action completes West Germany's legislative push to limit chemical treatment of food products, which began in earnest about 10 years ago and saw passage in 1958 of the German Food Law and its restrictions on food preservatives and additives.

The new law—Regulation on Plant Protectants and Storage Protectants in and on Foods—is to become effective January 1968 but is destined to be of short duration, probably not even as long as the time spent in its preparation. Replacing it will be a pesticide law covering the EEC as a whole and even now being worked on by representatives from member nations. However, since members' views on pesticide tolerances vary somewhat, progress on the EEC law thus far has been slow. Furthermore, other countries, except the Netherlands which passed a law in 1965, are devoting attention to developing pesticide laws of their own, to enhance their influence in EEC meetings.

95 compounds covered

The German law covers 95 compounds or classes of compounds—81 compounds tolerated in varying degrees and 14 compounds or classes of compounds prohibited.

Specific tolerances for compounds listed are quite low and are partly based on findings and recommendations of the Scientific Commission of Plant Protection of the German Research Association in its Communication IV of April 5, 1965.

The list of pesticides, while not including all compounds used in the United States, covers those most widely used in West Germany. Among products covered are citrus fruits, deciduous fruits, berries, grapes, bananas, coffee, cocoa beans, pulses and legumes, root vegetables, leafy vegetables, asparagus, wax and green beans, tomatoes, melons, pumpkins, cucumbers, grains (including rice), and milling products from grain.

Among the plant foods not mentioned are vegetable oils. Also, except for the fumigant hydrogen cyanide, tolerance levels for pesticides that might be present on dried fruits are not cited. Such omissions are covered by a subparagraph of Article I. This states that a food not listed but containing an approved pesticide may be kept off the German market if the pesticide residue exceeds one-tenth of the lowest tolerance for that compound in foods covered by the law.

The new regulation also specifies that compounds not listed because of lack of data are subject to Article III of the Food Law, under which marketing of foods containing pesticides may be prohibited if the substances are proven dangerous to health.

For most of the listed pesticides, German tolerances are well below those in the United States. These differences could very well jeopardize U.S. agricultural exports to West Germany, particularly shipments of grains, oranges, lemons, grapefruit, apples, pears, nut kernels (almonds in particular) strawberries, grapes, onions, and peppers. The law would also affect the small amounts of U.S. cherries and peaches exported to West Germany, shipments of which had been expected to expand in line with the rise of self-refrigerated container service. And through strict application of the law, dried fruits and several other products could be kept off the market.

Together, such products account for over a third of U.S. agricultural exports to West Germany.

German and U.S. tolerance levels for some of the more important pesticides are compared in the following table:

Common name	Tolerance level	
	West Germany	United States
	Parts per mil.[1]	*Parts per mil.*[1]
DDT	1.00	7.00
Lindane	2.00	10.00
Guthion	.40	2.00-5.00
Malathion	.50-3.00	8.00
Systox	.40	.75
Parathion	.50	1.00
Captan	15.00	100.00
Sevin (Carbaryl)	3.00	10.00
Chlórbenzide	1.50	3.00
Ovex	1.50	3.00-5.00
Thiram	3.00	7.00
Demeton	.40	.75
Zineb	3.00	7.00
Azinphosmethyl	.40	2.00
Endosulfan	.50	2.00

[1]Mg. of active substance per kg. of food.

NOTE: Tolerance levels established in the Netherlands for pesticides mentioned above are practically the same as those in West Germany. The main difference between the West German and Dutch Law is in tolerance levels for chlorinated hydrocarbons which disappear slowly in the soil; i.e., aldrin, dieldrin, heptachlor, and chlordane, for which German tolerances are 0 and the Netherlands are 0.1 parts per million.

Pesticides for which zero tolerances have been established include aldrin, Aramite, chlordane, dieldrin, endrin, heptachlor, isodrin, isobenzan and arsenic, mercury, and selenium compounds.

Tolerances unduly low

Unusually low pesticide tolerances like those passed by West Germany have been found unnecessary by U.S. scientists. Although high when compared with the conservative German list, U.S. tolerances include a 100-fold safety factor based on the proven toxicity of each substance. And numerous studies confirm the safety of these tolerances, even under unusual conditions. For instance, in "Market Basket" studies by the U.S. Food and Drug Administration, food that would be consumed over a 2-week period by a 19-year-old boy is prepared for consumption and then analyzed. In the foods found to contain residues, the residues have consistently been well below tolerances set as safe for human consumption.

Now that the German Plant Protectant Law has been passed, it will be under continuous study by the Foreign Agricultural Service. Steps will be taken to provide Germany with information needed on pesticides and foods not yet covered by the law as well as on safe tolerance levels. It is hoped that these measures will result in tolerances that are well within the limits of safety and at levels that our commodities can meet.

Malagasy Republic

—a land with agricultural potential despite massive erosion

By CAREY B. SINGLETON, JR.
Foreign Regional Analysis Division
Economic Research Service

Likened geographically to the imprint of a giant's left foot in the sand, the Malagasy Republic off Africa's southeastern coast stretches for 1,000 miles. The continent's largest island—and the world's fourth after Greenland, New Guinea, and Borneo—covers an area of 230,035 square miles or about that of California and Oregon combined.

The country, sometimes called Africa's Polynesian island, has a unique cultural background, a blend of Indonesian, Polynesian, French, Chinese, and African influences. Although it lies only 250 miles from the continent, anthropologists believe its original inhabitants came from the Indonesian islands which lie some 4,000 miles across the Indian Ocean.

Economy hinges on agriculture

Of a total population of 6.6 million, over 90 percent is engaged in a largely subsistence agriculture. The agricultural sector accounts for about 80 percent of national income. Principal food crops include rice, cassava, cocoyams (taro), sweetpotatoes, bananas, and pulses. Industrial activity is limited to the processing of agricultural products, as the country's resource base is meager.

Agriculture also monopolizes the country's foreign trade, accounting for about 90 percent of the value of all exports in 1965. Chief export crop is coffee, followed by vanilla and cloves. World's largest producer of vanilla beans, the Malagasy Republic accounts for over half of the world's needs. Meat and meat preparations, sisal, and sugar are also important sources of foreign exchange, and the Republic is the world's largest exporter of *pois du cap* (dried lima beans), shipped largely to Great Britain.

Here lies the paradox of the Malagasy Republic. For a country so dependent upon agricultural production, its rugged central highlands display a terrain bitter and harsh, red and either dusty or muddy. On approaching it by air from the mainland, one notes a series of concentric circles of varying shades of red in the Indian Ocean's azure waters, an indication of the massive erosion caused by deliberate burning of grasslands and forests by local farmers and overgrazing of hilly areas by Zebu cattle. Over 40 percent of the land area has been denuded by accelerated erosion, and the entire country is dotted with lavakas (eroded gullies). Erosion has silted up rice paddies, reservoirs, lakes, and ports. To combat the problem, a program of action to restore native grass cover and forests is needed.

On this land of limited fertility, agricultural growth has failed to make much progress in recent years. Agricultural production in 1966 was over 4 percent above 1965 output; however, on a per capita basis it was only 92 percent of the 1957-59 average and has not kept pace with rapid population growth. As a result, food imports—mainly rice, dairy products, and wheat flour—have been increasing. Per capita intake averages 2,400 calories per day; the basic diet of the people is high in starchy foods and low in animal protein.

Farm progress possible—with effort

Despite its limited farm progress and eroded soil, the Malagasy Republic is a land of substantial agricultural potential. This is especially true with regard to livestock. Rice production could make sizable gains with improved technology and irrigation, and better cultural practices could raise output of coffee and vanilla.

Although the soil and climate around Tamatave on the eastern coast are ideal for production of pineapples and in the central plateau for apples, these crops are now produced only on a limited scale. Conditions in coastal areas are also suitable for other tropical fruits, including mangoes, bananas, avocados, and mangosteens, and for lichee nuts.

A commercial livestock industry based on the country's 8.5 million head of cattle could be developed with concentrated effort. Unlike so many other areas in Africa, the Malagasy Republic is free of tsetse fly infestation, foot-and-mouth disease, rinderpest, and East Coast fever. Development would have to include better husbandry practices, feeding- and range-improvement programs, better marketing and transport systems to avoid loss of weight and quality en route to slaughtering plants, and price incentives for marketing stock through slaughter and processing plants. Although the Republic has improved local Zebu cattle by crossing with imported stock, this crossbreeding practice has not been adopted effectively by producers.

Rice, the Malagasy Republic's major subsistence crop, will receive high priority in the country's new development plan. The crop occupies over a million acres throughout the island. In 1966, production amounted to

Malagasy Republic family heads home across the fields with a good catch from one of the country's well-stocked lakes.

1.3 million tons, up almost 100,000 from 1960. Approximately 300,000 tons were sold for cash to factories for processing. A special luxury grade of rice is exported to countries in Western Europe.

Coffee, vanilla—major export crops

Production of robusta coffee last year reached 60,000 tons, a 7,000-ton increase over 1965 output. A major cash earner for thousands of Malagasy farmers, this crop makes up over 30 percent of the total value of exports. France and the United States are chief markets. Coffee accounted for $14 million of the $28 million in total U.S. imports from the Republic in 1965.

The Republic's vanilla beans are produced mainly by Malagasy and French farmers and marketed by Indian and Chinese merchants. In 1965, exports were a near-record 2.2 million pounds valued at $9.9 million, up 57 percent from 1964 shipments of 1.4 million pounds worth $6.4 million. The increase resulted from a successive series of large vanilla crops causing a buildup of stocks over several years and from action by the Malagasy Republic Government and the U.S. Vanilla Extract Manufacturers Association to establish an export quota on vanilla tonnage at predetermined prices.

The United States is by far the country's biggest market for vanilla, taking 1.6 million pounds for $7.2 million in 1966. At a meeting in Paris last December with the U.S. Vanilla Bean and Flavoring Extract Manufacturers Association, representatives of the Republic agreed to allocate an export quota of 1.9 million pounds (850 metric tons) of vanilla beans for shipment to the United States in 1967. Prices will remain at $10.20 per kilogram ($4.63 per lb.), the same as in the 1966 quota arrangement.

The Malagasy Republic is currently experiencing serious economic problems brought on by a composite of reasons: low world market prices for its cash crops; poor quality of its agricultural products; low stage of agricultural development; lack of adequate transportation and marketing facilities and investment funds; and shortage of skilled technicians. In 1963, gross domestic product was $530 million and per capita product, $90. For many years, the Republic has had chronic trade and balance of payments deficits aggravated by greater food imports.

Institutes new development plan

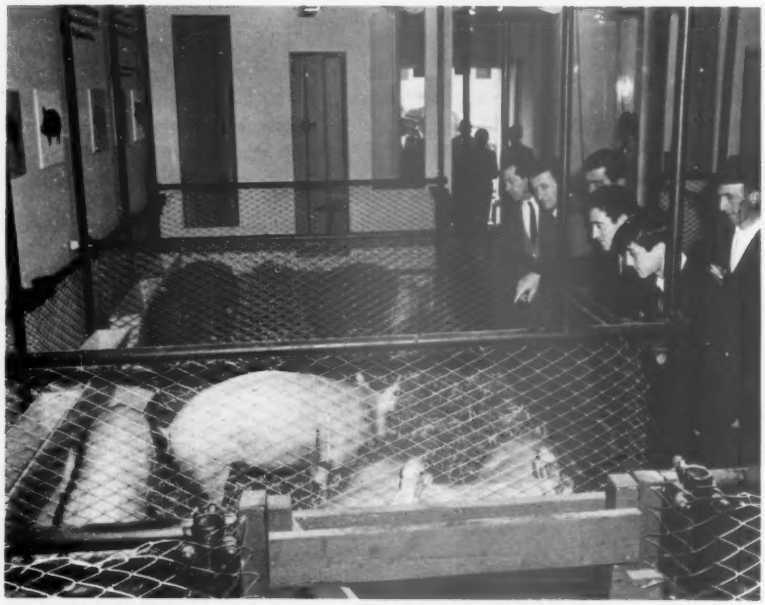
To alleviate some of its economic problems, the country last year introduced a new 5-Year Development Plan. The Plan calls for aggregate capital expenditures of $668 million from 1968 to 1973. Of this, public sources will provide $453 million and overseas sources, mainly France and the European Economic Community, the remainder. About $158 million will go for agricultural development, $336 million for economic infrastructure and transportation facilities, $113 million for development of agricultural processing industries and handicrafts, and $61 million for social infrastructure, including education and health facilities. Farm-to-market roads could have a great impact on the country's agriculture and add immeasurably to its wealth and economic development.

The United States has contributed over $8 million to the Malagasy Republic since fiscal year 1961 for ground water development, irrigation, road building equipment, and agricultural extension work. U.S. interests in the Republic, other than as its chief source of vanilla, include the maintenance of a National Aeronautics and Space Administration tracking station of vital importance to the U.S. space program and the strategic deep-sea berth and port at Diego-Suarez.

Below, iron chain fences and planting of vegetation have helped prevent extension of eroded hillside gullies like this one. Right, rice paddies near Tananrive. Rice is the Malagasy Republic's chief staple food and is grown throughout the island.

Below, some of the Malagasy Republic's 8.5 million Zebu cattle, whose overgrazing is partly to blame for the erosion problem.

Verona Exhibit Prompts Sizable Cattle Sales



Pen of feeder pigs interests fair visitors.

Total paid attendance during the 10 days of the 69th International Agricultural Fair in Verona, Italy, last month was 800,000—100,000 more than last year. Over one-third of the fairgoers visited the U.S. Pavilion, where exhibits featured American products available for export to Italy.

One exhibitor—the Holstein-Friesian Association of America—reported that immediate sales of cattle resulting from the exhibit were expected to total about $288,000. Additional exhibit-generated sales of cattle are expected to reach $1 million.

Besides cattle the U.S. exhibit promoted meatier type hogs, feedgrains, feed supplements, and turkeys. Displays included pens of feeder pigs, breeding swine, and breeding turkeys.

In addition to the Holstein-Friesian Association, cooperators with FAS in sponsoring the exhibit were: U.S. Feed Grains Councils, Soybean Council of America, Inc., National Renderers Association, Virginia Feeder Pig Association, Virginia All Breed Swine Association, Virginia Purebred Swine Association, Virginia Polytechnic Institute, and Virginia State Department of Agriculture. Associated exhibitors were Italian representatives of two U.S. turkey breeding farms.

One of the oldest and largest agricultural shows in Europe, the Verona fair had 4,500 Italian and foreign exhibitors this year—300 more than in 1966. Besides the United States, 18 countries participated; another 15 were represented by Italian agents.

Traditionally, Italy is a market for basic raw materials that are processed, compounded, or further developed.

Scottish and Swedish Stores Spotlight American Groceries

Two grocery chains—one in Scotland, the other in Sweden—will stage FAS-sponsored promotions of U.S. foods this month and next.

The Scottish promotion—"America Weeks"—will begin next Wednesday in 36 supermarkets of the St. Cuthbert's Cooperative Association, located in and near Edinburgh. It will last through May 6, running at the same time as that city's Ideal Home Exhibition, where there will be a major exhibit of U.S. processed foods.

The second promotion will begin April 24 in 2 Ahlen and Holm supermarkets in Stockholm and 11 other stores throughout Sweden. This "American Fine Food Festival" will last 2 weeks, the first 3 days coinciding with a food exhibit at Stockholm's U.S. Trade Center.

Each chain, which normally sells a wide selection of American foods, is stocking up with additional supplies, including many products that have never been available for retail sale in the country before. Displays and decorations, advertising, and demonstrations and promotional events have been arranged to attract shoppers to U.S. foods in the stores.

U.S. Technician Advises Turkish Soybean Oil Processors

Soybean Council of America's oil technologist Fredrick C. Martin (third from left) recently toured several oil-processing plants in Turkey, giving technical assistance on the refining, hydrogenating, and deodorizing of soybean oil. Here he inspects equipment at TARIS Hardened Oil Plant—a government cooperative at Izmir—with (l. to r.) Bulent Cagdas and Haluk Ergeneli, TARIS chemical engineer and plant director, and H. Gul, Soybean Council assistant director.

Meat Imports Subject to Quota Down in February

Meat imports into the United States subject to provisions of the Meat Import Act (Public Law 88-482) totaled 58.5 million pounds for February 1967, down 3 percent from a year earlier. Imports for the first 2 months of 1967 were 22 percent greater than for the same period in 1966.

On March 28, 1967, the Secretary of Agriculture announced that the second quarterly estimate of meat imports subject to contingency quotas for this year was 900 million pounds—down 60 million from the first quarter estimate made in December. The estimate is 95 million pounds below the level that would trigger imposition of quotas in 1967.

U.S. IMPORTS OF MEAT SUBJECT TO MEAT IMPORT LAW (P.L. 88-482)
[Product weight]

Imports	Feb.	Jan.-Feb.
	Million pounds	*Million pounds*
1967:		
Subject to Meat Import Law[1]	58.5	135.9
Total beef and veal[2]	64.2	147.2
Total red meat[3]	96.4	207.6
1966:		
Subject to Meat Import Law[1]	60.3	111.7
Total beef and veal[2]	63.7	122.0
Total red meat[3]	96.9	184.8
1965:		
Subject to Meat Import Law[1]	34.5	62.7
Total beef and veal[2]	39.2	69.7
Total red meat[3]	61.6	101.0

[1]Fresh, chilled, and frozen beef, veal, mutton, and goat meat. [2]All forms, including canned and preserved. [3]Total beef, veal, pork, lamb, mutton and goat.

Canada Expects Record Small-Grain Acreage

The small-grain acreage that Canadian farmers intend to plant in 1967 exceeds the previous record acreage of 1966 by 1 percent, according to farmers' plans as of March 1. Acreage planned was reported at 51.5 million acres compared with 50.9 million planted in 1966 and the average of 49.4 million acres in small grains in 1964-66.

Intended breadgrain acreage is 768,000 acres larger than the 1966 record plantings and exceeds the average by 1,592,000 acres. Acreage planned for wheat, at 31,077,500 acres, is 3 percent larger than the previous record of 30,298,100 acres in 1966 and 3.5 million acres, or 13 percent, above the 1961-65 acreage. Planned acreage of the Prairie Provinces—accounting for 98 percent of Canada's wheat acreage—increased in all of the three Provinces. In Manitoba, the increase may be 9 percent; in Saskatchewan it is 1 percent, and in Alberta, 3 percent. The trend in rye, however, continues downward—with intentions this year 2 percent below 1966 and 4 percent less than the average in 1961-65.

Acreage intended for feedgrains is up 432,000 acres and is 1.1 million acres above the 1964-66 average. Planned barley acreage, at 7,611,600 acres, increased 6 percent. Intended acreage of oats for grain and of mixed grains are 9,112,500 and 1,580,700 acres, respectively, both at about the same level as last year.

INTENDED WHEAT ACREAGES OF CANADA'S PRAIRIE PROVINCES

Province	1965	1966	1967	Increase over 1966
	1,000 acres	*1,000 acres*	*1,000 acres*	*1,000 acres*
Alberta	6,050	6,600	6,780	+180
Manitoba	3,240	3,480	3,800	+320
Saskatchewan	18,500	19,700	19,900	+200
Total	27,790	29,780	30,480	+700

South Africa Has Record Corn, Sorghum Crops

Record corn and sorghum crops are in prospect for South Africa.

The first estimate of the South African corn crop places production on European farms at 7.7 million metric tons. This would indicate a total crop of about 8.0 million tons, compared with the 1965-66 crop and the 1960-64 averages of 5.1 million tons each.

South Africa's previous corn production record was the 6.1 million tons of 1962--63. That year was followed by two serious drought seasons in which the crop barely fulfilled domestic needs.

Good moisture conditions have prevailed throughout the current season, particularly in the major producing regions. Bumper crops are expected in the Transvaal and Orange Free State area. Less important growing areas, such as Natal and the Eastern Cape Province, anticipate better crops than a year ago.

A corn crop of the size estimated, which will be harvested mainly from May through July, should provide an exportable surplus of 3.5 to 4.0 million tons from the current harvest.

The South African estimate of 1966-67 grain sorghum production on European farms is 756,000 tons. This would mean production on all farms at a record of about 850,000 tons, compared with production of 345,000 tons in 1965-66 and the previous record of 438,000 in 1964-65. The current bumper crop should allow sorghum exports of something over 500,000 tons.

Argentine Corn Crop Rises, Grain Sorghums Off

Argentina's first official corn estimate indicates a near-record production—the highest since 1943-44. Output of grain sorghums, however, is expected to fall slightly from last season's record.

The corn estimate, at 8.5 million metric tons, is 21 percent above last year's 7-million-ton crop and 71 percent over the 1960-64 average. Harvested area is estimated at 8.9 million acres—up 10 percent—and yield per acre, at 37.6 bushels versus 34.2 bushels a year ago.

The current estimate is considered by some private sources to be on the conservative side, with a prospect that the final figure for the harvest may be between 9 million and 10 million tons.

Following a dry period in early planting time the Argentine crop had excellent weather for the rest of the season. Planting of hybrid varieties increased substantially this

year, and, along with increased acreage and good weather, accounts for the good crop.

The corn harvest is now nearly complete. On the basis of the official estimate, Argentina should have approximately 6 million tons of corn available for export from the current crop.

Argentina's planted acreage of grain sorghum is estimated at 3.6 million acres, 9 percent larger than a year ago. However, crop prospects have declined because of drought during the last month, and it appears that the harvest will be somewhat below the record of 84 million bushels last year.

Canada Raises Dairy Support Prices

The newly formed Canadian Dairy Commission on April 1 established basic buying prices for butter and spray-processed skim-milk powder. The new prices of 63 Canadian cents per pound for butter and 20 cents for skim-milk powder effectively raise the market supports for both products by 2 cents per pound from the previous year.

Under the new program, the subsidy-payment quota to each producer is the total quantity on which the Agricultural Stabilization Board—former administrator of the program—paid subsidies to manufacturing-milk and cream shippers in 1966-67. Producers who delivered less than 50,000 pounds of milk or the equivalent of cream in 1966-67 will have an open quota for up to 50,000 pounds of milk or the equivalent of cream.

During the year, C$120 million will be made available to the Commission for subsidy payments, an increase of one-third in the level of government aid. The subsidy rate to dairy farmers is C$1.21 per hundredweight for manufacturing milk testing 3.5 percent and an equivalent rate for cream, compared with 85 Canadian cents per hundredweight in the previous year.

While total returns to producers will depend upon action of provincial boards and agencies in establishing minimum prices, the Commission indicated that the combination of subsidy and price supports will provide for a total milk price of around C$4.75 f.o.b. factory for manufacturing milk testing 3.5 percent. The Commission will deduct sums to cover export costs in the same manner as the 10-cent holdback was handled in 1966-67 by the Stabilization Board.

U.S. Exports of Soybeans, Edible Oils, Meals

Exports of soybeans from the United States during September-February 1966-67 were 145.3 million bushels, slightly above the record in the same months of 1965-66.

Edible vegetable oil exports during the October-February 1966-67 period totaled 361.4 million pounds—211.1 millions pounds less than in the previous year. Reduced exports of cottonseed oil accounted for over 70 percent of the decline. Exports of U.S. cake and meal in October-February 1966-67 amounted to over 1.2 million short tons—208,700 tons below the record volume exported during the comparable months in 1965-66. Soybean meal exports to the EEC, amounting to about 750,000 tons or over 60 percent of the total, accounted for one-fifth of the decline; exports to other European countries also declined significantly. Total exports of cottonseed meal amounted to only a fraction of the 1965-66 level.

U.S. EXPORTS OF SOYBEANS AND PRODUCTS

Item and destination	Unit	February 1966[1]	February 1967[1]	Sept.-Feb. 1965-66[1]	Sept.-Feb. 1966-67[1]
SOYBEANS					
Japan	Mil. bu.	5.4	3.0	31.4	33.6
Netherlands	do.	2.2	2.4	20.4	20.8
Germany, West	do.	3.4	3.2	19.2	18.2
Spain	do.	1.8	3.1	9.4	13.4
Italy	do.	.2	1.1	11.2	11.2
Canada	do.	.1	.8	15.2	11.1
Others	do.	4.0	6.8	37.7	37.0
Total	do.	17.1	20.4	144.5	145.3
Oil equivalent	Mil. lb.	187.6	223.5	1,586.9	1,594.9
Meal equivalent	1,000 tons	401.4	478.3	3,396.4	3,413.5
EDIBLE OILS		February		Oct.-Feb.	
Soybean oil:[2]		1966[1]	1967[1]	1965-66[1]	1966-67[1]
Burma	Mil. lb.	9.0	0	9.0	45.0
India	do.	1.3	27.2	2.1	43.1
Tunisia	do.	0	9.6	11.3	37.3
UAR, Egypt	do.	1.0	15.6	7.4	35.5
Yugoslavia	do.	2.2	1.2	44.4	25.9
Greece	do.	6.9	1.7	9.2	13.8
Chile	do.	.2	.3	1.7	12.6
Vietnam, South	do.	4.5	6.6	4.5	12.5
Israel	do.	(3)	0	15.7	11.5
Others	do.	43.8	21.6	291.8	98.3
Total	do.	68.9	83.8	397.1	335.5
Cottonseed oil:[2]					
Venezuela	do.	1.9	3.7	15.3	14.2
UAR, Egypt	do.	7.0	0	7.0	3.5
Canada	do.	6.5	.5	24.8	2.8
Sweden	do.	0	0	4.7	1.3
Dominican Republic	do.	1.3	(3)	2.5	.8
Netherlands	do.	0	(3)	5.4	.6
Taiwan	do.	0	0	0	.5
Others	do.	13.4	.4	115.7	2.2
Total	do.	30.1	4.6	175.4	25.9
Total oils	do.	99.0	88.4	572.5	361.4
CAKES AND MEALS					
Soybean:					
Germany, West	1,000 tons	37.2	58.5	237.1	228.3
France	do.	70.1	49.5	208.4	198.4
Netherlands	do.	21.5	18.2	162.5	137.5
Canada	do.	13.5	13.7	103.4	96.1
Italy	do.	33.7	4.4	98.0	93.3
Belgium	do.	18.6	18.4	86.8	91.4
Yugoslavia	do.	0	10.5	35.9	57.9
Denmark	do.	4.8	15.6	66.1	46.1
United Kingdom	do.	5.9	1.0	59.6	39.0
Hungary	do.	0	0	0	29.9
Others	do.	68.0	49.2	245.3	141.8
Total	do.	273.3	239.0	1,303.1	1,159.7
Cottonseed	do.	6.9	.2	77.3	5.0
Linseed	do.	1.4	2.3	49.9	63.7
Total cakes and meals[4]	do.	283.6	244.1	1,445.0	1,236.3

Note: Countries indicated are ranked according to quantities taken in the current marketing year.

[1]Preliminary. [2]Includes Titles I, II, III, and IV of P.L. 480, except soybean and cottonseed oils contained in the shortening exported under Title II. Excludes estimates of Title II exports of soybean and cottonseed oils not reported by Census. [3]Less than 50,000 pounds. [4]Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from Census records.

Fishmeal Production and Exports by FEO

Production of fishmeal by the six members of the Fishmeal Exporters' Organization (FEO) in 1966 rose to a record high of 2,844,000 short tons—471,000 tons above production in 1965.

Production in FEO countries is estimated to account for over 80 percent of total world fishmeal output. Output in other major producing countries during 1966 in 1,000 short tons (1965 data in parentheses) include the United States 197 (242), Denmark 119 (123), and Canada 97 (100).

FEO exports of fishmeal in 1966, at nearly 2.4 million tons, increased by 151,000 tons from those in 1965 and exceeded the previous record volume exported in 1964.

Aggregate production in FEO countries during 1966 exceeded exports by 475,000 tons, compared with an excess of only 156,000 tons in 1965. Thus, sizable stocks now exist chiefly in Peru.

FISHMEAL PRODUCTION AND EXPORTS OF FEO COUNTRIES

Item	1962	1963	1964	1965	1966
	1,000 short tons	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*	*1,000 short tons*
Production:					
Angola	36	35	66	53	60
Chile	102	119	159	77	214
Iceland	106	97	138	190	200
Norway	133	146	205	341	465
Peru	1,236	1,278	1,711	1,413	1,621
South Africa	222	262	284	300	284
Total	1,835	1,937	2,563	2,374	2,844
Exports:					
Angola	36	33	63	54	59
Chile	80	96	153	70	205
Iceland	78	109	137	161	190
Norway	68	115	198	296	294
Peru	1,175	1,278	1,561	1,389	1,438
South Africa	213	219	250	248	183
Total	1,650	1,850	2,362	2,218	2,369

Fishmeal Exporters' Organization, Paris.

Smaller Olive Pack in Spain

The earlier estimate of Spain's 1966 table olive pack remains unchanged at 32,400 short tons, sharply lower than the previous year's 53,000 tons and 24,200 tons below the 1960-64 average. However, varieties classified as exportable are now estimated at 29,400 tons—down 21,300 from 1965. Reportedly, the short 1966 pack prompted the Spanish Government to authorize inclusion of a 600-ton export quota of Malaga table olives to the United States and Canada. The varieties included in this quota are Canivanas, Picolimon, Alorenas, Gordalillas, Caceresnas, Cordobis, Rapasayas, Picudas, and Ojiblancas.

Exports this season (1966-67) are forcast at 30,100 tons—25,000 tons lower than the final 1965-66 level. As usual, Manzanilla and similar varieties will account for the major portion of these shipments; the unusually low quantity of Queens is due to severe fly infestation which affected this variety. Of 1965-66 exports, the United States imported 72 percent of the total, followed by Canada, Brazil, Italy, and Romania. The major type of olive exported from Spain is in the stuffed form. Shipments in 1965-66 totaled 56 percent stuffed, 30 percent whole, 7 percent special, 5 percent broken, and 2 percent pitted.

The opening export prices (f.o.b. Seville) for the marketing year beginning in December 1966, were higher than those of the previous year. Queens were substantially higher because of the damaged crop and opened at 36 U.S. cents per pound for whole olives, and 46 for stuffed. Whole Manzanillas opened at 32 cents, while stuffed were 42 cents. The 1966-67 opening prices (which rose during the subsequent month) were also above average prices in 1964-65 and 1965-66.

SPAIN'S TABLE OLIVE SUPPLY AND DISTRIBUTION

Item	Exportable varieties[1]			Nonexportable varieties	Total
	Manzanilla & similar	Queens	Other		
1965-66[2]	*Short tons*	*Short tons*	*Short tons*	*Short tons*	*Short tons*
Supply:					
Beginning stocks[3]	11,000	5,500	3,300	.....	19,800
Production	32,000	16,500	2,200	2,300	53,000
Total	43,000	22,000	5,500	2,300	72,800
Distribution:					
Exports	30,800	19,100	5,200	.....	55,100
Domestic consumption	6,100	700	300	2,300	9,400
Ending stocks[4]	6,100	2,200	.....	.....	8,300
Total	43,000	22,000	5,500	2,300	72,800
1966-67[5]					
Supply:					
Beginning stocks[3]	6,100	2,200	.....	.....	8,300
Production	24,800	2,400	2,200	3,000	32,400
Total	30,900	4,600	2,200	3,000	40,700
Distribution:					
Exports	24,300	3,900	1,900	.....	30,100
Domestic consumption	6,600	700	300	3,000	10,600
Ending stocks[4]	(6)	(6)	(6)	(6)	(6)
Total	30,900	4,600	2,200	3,000	40,700

[1]Of these, only Manzanillas (and similar) and Queens are considered by the Spanish Government suitable for the U.S., Canadian, and Puerto Rican markets. Other exportable varieties are shipped elsewhere. [2]Revised. [3]December 1. [4]November 30. [5]Estimate. [6]Negligible.

SPAIN'S AVERAGE TABLE OLIVE EXPORT PRICES[1]

Item	Manzanillas		Queens	
	Whole	Stuffed	Whole	Stuffed
	U.S. cents per lb.	*U.S. cents per lb.*	*U.S. cents per lb.*	*U.S. cents per lb.*
Average 1964-65	29	39	28	39
Average 1965-66	27	37	27	37
1965-66:				
December 1965	27	37	26	36
January 1966	25	35	25	35
February	25	35	25	35
March	25	35	22	32
April	25	35	22	32
May	25	35	22	32
June	25	35	22	32
July	26	36	23	33
August	31	41	34	44
September	30	40	33	43
October	31	41	36	46
November	32	42	36	46
1966-67:				
December 1966	32	42	36	46
January 1967	34-35	44-45	37-38	47-49

[1]F.o.b. Seville.

Nigeria Increases Cotton Production

Nigeria's 1966-67 cotton crop is now estimated at about 235,000 bales (480 lb. net), 18 percent above last season's outturn of 200,000 bales but 10 percent below the record 1960-61 crop of 260,000. The increase is reportedly at-

tributed to improved management practices and favorable weather. Nigeria's cotton area is probably between 750,000 and 1 million acres.

Consumption of cotton in the 1966-67 year (August-July) is estimated at 90,000 bales, compared with 80,000 a year earlier. The increase in domestic consumption of raw cotton was largely made possible by restrictions on imports of textile items from Japan.

Exports of raw cotton will probably exceed the estimated 100,000 bales shipped in 1965-66. Export sales through March 1 were around 100,000 bales. Principal buyers of Nigerian cotton have been the Netherlands, Belgium, West Germany, France, Italy, and Japan.

Sudanese Cotton Production, Exports Up Sharply

The 1966-67 cotton crop in the Sudan is now estimated at around 825,000 bales, 10 percent above the 1965-66 outturn of 750,000 bales and second only to the 1961-62 crop of 975,000 bales (480 lb. net). The larger crop is attributed to a generally good growing season, increased acreage, and improved management techniques—especially in the control of insects and distribution of fertilizer. Area devoted to the current crop is estimated at 1,167,000 acres, 7 percent above last season's area.

Stocks of cotton in Sudan on August 1, 1966, were estimated at about 575,000 bales. The large carryover, together with the good crop now being harvested, should result in unusually large exports this season. The first ready lots of 1967-crop Sakel/Lamberts were recently offered at auction. Current c.i.f. offering price for Sakel G5S in Liverpool is around 37.75 U.S. cents per pound, compared with 39.21 cents in January.

Exports of cotton from the Sudan were around 400,000 bales in the August-February period of 1966-67, compared with 256,000 in the same months of 1965-66. India purchased over 50,000 bales in the January-February period of this season. Other countries that have bought significant quantities include West Germany, Mainland China, Italy, Japan, and the United Kingdom.

Norwegian Cigarette Consumption Rises

Norway's consumers smoked some 1,506 million factory-made cigarettes in 1966—up 3 percent from the 1,463 million for 1965. Sales of smoking tobacco for hand-rolled cigarettes and pipes totaled 8.6 million pounds—400,000 pounds above the 1965 level.

As of January 1, 1967, there has been no tariff levied on imports of tobacco products from other members of the European Free Trade Association (EFTA). On the other hand, cigarette imports from the United States and other non-EFTA countries continue to be assessed $1.08 per pound. This virtually excludes U.S. cigarettes from the internal Norwegian market, although considerable quantities reach Norway for ships' stores.

U.K. Tobacco Imports Down in 1966

Imports of unmanufactured tobacco into the United Kingdom last year totaled 261.4 million pounds, compared with the revised figure of 284.4 million in 1965.

A sharp increase in imports from the United States and Canada did not offset declines in purchases from Rhodesia, Zambia, and India. Purchases of U.S. tobaccos rose from 90.9 million in 1965 to 132.2 million last year. On the other hand, imports from Rhodesia dropped from 83.6 million in 1965 to only 15.2 million in 1966, reflecting sanctions imposed on leaf of Rhodesian origin.

Commonwealth suppliers furnished a total of 110 million pounds to the British market in 1966, or 42 percent of the total, as compared with about 65 percent in 1965 The U.S. share of the market in 1966 was about 51 percent, compared with about 32 percent in 1965.

U.K. TOBACCO IMPORTS

Origin	1964	1965[1]	1966[1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Commonwealth:			
Rhodesia	104,833	83,601	15,206
Zambia		14,182	4,082
Malawi		11,793	13,329
Canada	40,059	36,578	40,193
India	35,320	36,187	31,090
Tanzania	203	335	3,355
Jamaica	460	675	866
Others	317	487	1,995
Total	181,192	183,838	110,116
Non-Commonwealth:			
United States	122,928	90,865	132,170
South Africa, Rep. of	3,742	7,763	8,515
Netherlands[2]	3,255	3,390	4,277
Ireland[2]	.....	3	3,374
Turkey	877	78	1,324
Greece	522	364	752
Others	85	139	830
Total	131,409	102,602	151,242
Grand total	312,601	[3]284,435	261,358

[1]Preliminary. [2]Re-exports. [3]Individual country data do not add to amended total.

Tobacco Intelligence, London.

Danish Tobacco Imports Decrease

Denmark's duty-paid imports of unmanufactured tobacco in 1966 totaled 32.5 million pounds, compared with 34.9 million for 1965.

Imports of U.S. tobacco (including stems), at 17.1 million pounds, in 1966 accounted for 53 percent of the total, compared with 47 percent in 1965. Other principal suppliers to the Danish market in 1966 included Brazil 4.9 million pounds, Indonesia 3.9 million, and Rhodesia 2.8 million.

DENMARK'S UNMANUFACTURED TOBACCO IMPORTS

Origin	1964	1965[1]	1966[1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
United States	16,670	16,334	17,074
Brazil	8,284	7,556	4,880
Indonesia	3,963	4,314	3,906
Rhodesia	3,274	3,176	2,757
Zambia	(2)	7	80
Malawi	(2)	214	629
Canada	126	783	856
Turkey	329	728	465
Cuba	172	230	302
Cameroon	373	222	256
Dominican Republic	127	278	256
Greece	371	138	227
Mexico	175	163	49
Others	431	804	737
Total	34,295	34,947	32,474

[1]Preliminary. [2]Included with Rhodesia.

French Tobacco Imports Rise

French imports of unmanufactured tobacco last year totaled 117.3 million pounds—up 8 percent from the 108.8 million for 1965.

Major suppliers to the French market in 1966, in order of importance and million pounds, included Brazil 23.3, Argentina 12.8, Bulgaria 10.4, the United States 9.8, Greece 9.0, and Colombia 8.9.

Average prices paid for tobacco from the principal suppliers, in terms of U.S. cents per pound, were Brazil 20.0, Argentina 19.8, Bulgaria 41.2, the United States 57.2, Greece 58.4, and Colombia 21.1.

FRENCH IMPORTS OF UNMANUFACTURED TOBACCO

Origin	1964	1965	1966[1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Brazil	15,373	15,642	23,306
Argentina	15,132	21,684	12,770
Bulgaria	8,966	8,333	10,396
United States	5,706	5,992	9,751
Greece	6,777	8,287	9,031
Colombia	2,019	57	8,851
Malagasy Republic	7,685	6,986	6,995
Poland	2,619	1,473	5,101
Paraguay	5,075	7,844	3,988
Romania	456	1,775	3,596
China (Mainland)	628	1,563	3,126
Malawi	[2]3,772	2,077	2,577
Cuba	4,211	5,710	2,317
Yugoslavia	1,539	2,681	2,252
Hungary	3,505	4,414	2,222
Turkey	4	1,071	2,104
Philippines	5,071	4,735	1,613
Central African Republic	886	1,034	1,464
Congo (Brazzaville)	547	351	1,092
Cameroon	739	858	977
Albania	2,425	551	560
Algeria	5,542	.....	.....
Zambia	([3])	1,817	128
Rhodesia	([3])	772	46
Dominican Republic	5,922	141	.....
Others	3,402	2,929	2,991
Total	108,001	108,777	117,254

[1]Preliminary. [2]Includes Rhodesia and Zambia. [3]Included with Malawi.

Australian Raisin Production Increases

The 1967 Australian sultana pack is expected to be above average in both quantity and quality. At 90,000 short tons, the 1967 forecast is 11,500 tons larger than the 1966 output and 8,800 tons above average (1961-65). Production of lexias, a seeded raisin, is expected to be 11,200 tons—above average, much the same as last year's 11,100-ton crop. Dried currant output may total a near-average 11,200 tons, well above last year's 8,200 tons.

AUSTRALIA'S RAISIN SUPPLY AND DISTRIBUTION[1]

Item	1964	1965	1966
	Short tons	*Short tons*	*Short tons*
Beginning stocks (Jan. 1)	7,900	14,000	20,400
Production	103,500	103,500	89,600
Total supply	111,400	117,500	110,000
Exports	78,100	79,200	73,300
Domestic disappearance	19,300	17,900	18,700
Ending stocks (Dec. 31)	14,000	20,400	18,000
Total distribution	111,400	117,500	110,000

[1]Sultanas and lexias.

AUSTRALIA'S CURRANT SUPPLY AND DISTRIBUTION

Item	1964	1965	1966
	Short tons	*Short tons*	*Short tons*
Beginning stocks (Jan. 1)	2,600	2,900	3,200
Production	12,600	13,200	8,200
Total supply	15,200	16,100	11,400
Exports	7,800	8,600	4,200
Domestic disappearance	4,500	4,300	4,500
Ending stocks (Dec. 31)	2,900	3,200	2,700
Total distribution	15,200	16,100	11,400

Chilean Prune Pack Larger

The 1967 dried prune pack in Chile is forecast at 6,100 short tons—slightly above the 5,900 tons produced in 1966 and 500 tons above the 5-year (1961-65) average. The larger production is attributable to favorable weather in central Chile, the main producing area. Quality of the new crop is said to be good, and, according to preliminary indications, average size is 70 to 80 per pound.

Export volume is expected to be much the same as in 1965 and 1966. In 1966 Brazil was by far the top customer for Chilean dried prunes. Peru, West Germany, and the United Kingdom were also important outlets.

CHILE'S PRUNE SUPPLY AND DISTRIBUTION

Item	1965[1]	1966[1]	Forecast 1967
	Short tons	*Short tons*	*Short tons*
Beginning stocks (Jan. 1)	900	600	700
Production	5,600	5,900	6,100
Total supply	6,500	6,500	6,800
Exports	2,900	2,900	2,900
Domestic disappearance	3,000	2,900	3,300
Ending stocks (Dec. 31)	600	700	600
Total distribution	6,500	6,500	6,800

[1]Revised.

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CORRECTION: Issue of Apr. 10, 1967, p. 21—in story entitled "Big Gain in 1966 Wheat Crop Confirmed," first sentence of paragraph 4 should begin, "Wheat production in *other than* Communist countries."

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Highlights of the Agriculture and Trade of Australia

Resources:—Australia, an island continent, covers over 2.9 million square miles—about the size of the United States. Located in the Southwest Pacific from 11° to 45° latitude south of the Equator, the country is both tropical and temperate. One million of its 11.5 million population live in rural areas; about 12 percent of the 4 million labor force is engaged in agriculture.

Agriculture:—With expansion of industry and mining, agriculture still dominates the economy. In 1965-66, there were 252,000 farms, comprising 1.2 billion acres. Most of the area is pastureland with 34.5 million acres in crops. About 3 million acres are irrigated.

Despite limitations of population, sparse rainfall, and lack of water resources, farm output expands through increased usage of fertilizers, machinery, and research. In irrigated areas, rice, cotton, sugarcane, and fruits have proved high-yielding crops.

About one-sixth of the Gross National Product comes from agriculture. Wool accounts for the greatest portion, followed by meat, wheat, dairy products, and cane sugar.

Australia is the world's major producer of wool and normally accounts for one-third of the world's output of apparel wools.

Since World War II, the Commonwealth Government has cooperated with the States in financing long-term agricultural development programs. Chief among these are the Brigalow land development scheme in Queensland; Ord River development in Western Australia; and the construction of "beef roads" in Western Australia, Northern Territory, and Queensland for the movement of cattle from the interior to coastal slaughtering and port facilities.

In encouragement of agricultural production, the government has legislated commodity price stabilization schemes, created rural credit facilities, permitted special income tax deductions, and provided subsidies to producers. Wool is the only important farm commodity sold in a free market.

Food situation:—This country is sufficient in all of its food needs with exception of tea, cocoa, vegetable oils, some nuts, and dates. It is among the world's best-fed nations, consuming approximately 3,200 calories per capita per day.

Foreign trade:—The three largest markets for Australia's farm products in recent years, by value, have been the United Kingdom, Japan, and the United States. The Japanese market has grown steadily and the value of total exports to Japan in 1965-66 was only slightly below that of exports to the United Kingdom. Farm products accounted for about 70 percent of total exports to Japan in 1965-66, with wool comprising 58 percent of the total trade.

Exports to the United Kingdom have tended to fluctuate since 1961. Price and demand uncertainties for some of Australia's agricultural products in the United Kingdom have caused Australia to concentrate on trade promotion efforts to expand markets in the Far East, Middle East, Africa, and Latin America.

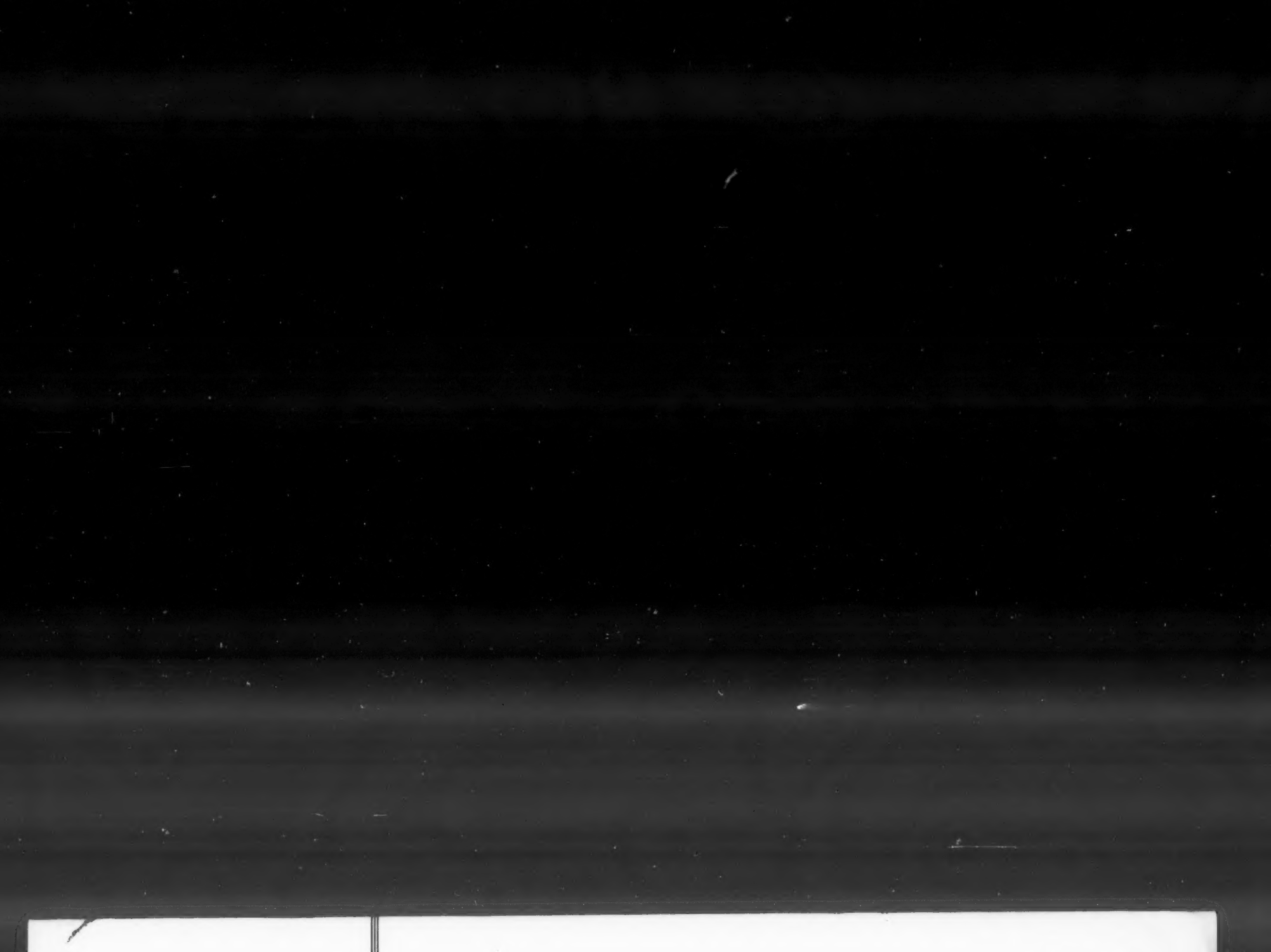
Since mid-1961 Australia's wheat exports to Mainland China have averaged 2.2 million metric tons per year. This represents about 40 percent of Australia's wheat trade, and China is now Australia's largest market.

Agricultural trade with the United States:—U.S. farm exports to Australia in the 1960's have averaged $35 million per annum. More than 60 percent of this consists of two commodities, unmanufactured tobacco and raw cotton.

U.S. imports of Australian farm commodities averaged $207 million from 1961 through 1965. This represents about 45 percent of the total value of all imports from Australia. Chief among the commodities involved in this trade are meat, wool, and sugar.

Factors affecting agricultural trade:—Complex customs tariffs, rigid plant and animal quarantines, tariff preferences to Commonwealth nations and use of bilateral trade agreements tend to restrict U.S. exports to this market.

Price stabilization schemes, increased subsidies to producers, and maintenance of mixing regulations to promote domestic production of tobacco and cotton are causing U.S. exports of these commodities to decrease.

On the U.S. import side of liberalization of Section 22, provision of favorable meat quotas, and allotment of a sugar quota have enabled Australia to expand its exports of agricultural commodities to the United States.

—MARY E. LONG
Foreign Regional Analysis Division, ERS